

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application)	DOCKET NO. 2009-0048
)	
of)	WEST MOLOKAI ASSOCIATION'S
)	SUPPLEMENTAL INFORMATION
MOLOKAI PUBLIC UTILITIES, INC.)	REQUESTS; CERTIFICATE OF SERVICE
)	
For review and approval of rate increases;)	
revised rate schedules; and revised rules.)	
_____)	

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COMMISSION

SUPPLEMENTAL INFORMATION REQUESTS

of

WEST MOLOKAI ASSOCIATION'S

and

CERTIFICATE OF SERVICE

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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of
MOLOKAI PUBLIC UTILITIES, INC.

DOCKET NO. 2009-0048

For Review and Approval of Rate Increases;
Revised Rate Schedules; and Revised Rules

SUPPLEMENTAL INFORMATION REQUESTS
OF
WEST MOLOKAI ASSOCIATION

Pursuant to the Stipulated Regulatory Schedule approved in Order Approving Proposed Procedural Order, as Modified, filed on November 6, 2009, West Molokai Association submits its **SUPPLEMENTAL INFORMATION REQUESTS** in the above-captioned matter.

DATED: Honolulu, Hawaii, December 7, 2009.

Respectfully submitted,

By 
WILLIAM W. MILKS, ESQ.

WMA-SIR-101. Re: Response to WMA-IR-102

- a. Please provide a tabulation of the measured (metered) volume of water delivered to WOM at the Kualapuu tap and at the Maunaloa Reservoir connection, on a monthly basis, for the years 2004 through 2009.

WMA-SIR-102. Re: Response to WMA-IR-103

- a. In prior documentation, the capacity of the Maunaloa Reservoir has been specified as 3.0 MG. Please advise as to the actual capacity of this storage reservoir, as well as the capacity of the reservoir normally utilized.

WMA-SIR-103. Re: Response to WMA-IR-105

- a. In PUC Docket No. 2002-0371, MPU's response to CA-IR-6 states that Waiola O Molokai made arrangements with the Company to purchase up to 100,000 gallons per day of well water from Well #17 as a source of supply for WOM's customer base in the Kualapuu area. Said arrangements appear to have been made in the early 1990's time frame. Please provide a copy of these arrangements and confirm that they are still in effect. If superseded, please provide a copy of the contractual agreement or other understanding covering the bulk sales of Well #17 water to WOM.
- b. How does the Company intend to apply the proposed fuel adjustment cost factor to the Kualapuu bulk sales transactions with WOM?

WMA-SIR-104. Re: Response to WMA-IR-108.

Regarding MPU's actual costs of providing water treatment/delivery to WOM customers in Maunaloa, please answer the following questions.

- a. When will an analysis of the actual cost of providing these services, in terms of both fixed and variable components, be submitted for the record in these proceedings?
- b. When will an audited "arms length" accounting of the proposed financial arrangement between these two wholly-owned subsidiaries of MPL be submitted for the record in these proceedings?
- c. How does the Company intend to apply the proposed fuel and electricity cost adjustments to the water treatment expense transactions with WOM?

WMA-SIR-105. Re: Response to WMA-IR-119

- a. Please provide the missing entry for March 2009 in the column entitled "Mountain" of Attachment WMA-IR-119.
- b. Please provide the missing entries in the column entitled "Manuwainui" of Attachment WMA-IR-119.
- c. Please confirm that the values listed in the column entitled "Maunaloa" of Attachment WMA-IR-119 are the actual metered amounts delivered to WOM customers in Maunaloa and do not include any water deliveries through the Moana Makani bypass.
- d. Please confirm that the values listed in the column entitled "Kaluakoi" of Attachment WMA-IR-119 include all metered amounts delivered to MPU customers, including those amounts delivered through the Moana Makani bypass line as further detailed in Attachment WMA-IR-402f.
- e. Some of the values listed in the column entitled "Mahana Pump" of Attachment WMA-IR-119 differ from the corresponding entries in the column entitled "Mahana Pump Monthly Usage" of Attachment CA-IR-37a. Please reconcile the discrepancies and provide consistent data.
- f. Usage data provided in Attachments WMA-IR-119 and WMA-IR-402f do not indicate any substantial decrease during April 2008 or the next several months after the closure of the golf course. Can the Company explain this apparent contradiction? In essence, WMA needs to know how much water the golf course used, on a monthly basis, over a period of 3-4 years, and when golf course irrigation ceased, and how that particular loss of demand impacted the system, e.g. pumping, treatment, etc.
- g. Metered consumption recorded at the Kaluakoi and Moana Makani Bypass meters (as shown in Attachments WMA-IR-119 and WMA-IR-402F) decreased dramatically in October 2008, and remained substantially lower for the next five months. Does the Company know of any reason for this substantial decline in consumption other than the temporary rate increase granted by the PUC effective September 1, 2009?
- h. Values listed in the columns entitled "Mountain", "Manuwainui", "Maunaloa" and "Kaluakoi" of Attachment WMA-IR-119 differ from the corresponding values contained in the monthly reports entitled "Molokai Properties Intercompany Water Sales", as furnished to the PUC in Docket No. 2008-0115. Please explain the reasons for the variances and provide consistent data.
- i. In the reports entitled "Molokai Properties Intercompany Water Sales", metered values of usage for treated water are multiplied by a factor of 1.10 (110%) for billing purposes. Please provide the justification for each adjustment factor used in the calculations.
- j. Are the values listed in the columns entitled "Manuwainui", "Maunaloa" and "Kaluakoi" of Attachment WMA-IR-119 based upon (i) actual (unadjusted) meter readings; (ii) adjusted (110%) meter

readings as shown in the monthly reports entitled "Molokai Intercompany Water Sales"; (iii) some combination of the previous two alternatives; or (iv) entirely separate sets of meter readings? Please explain the differences/variances and provide consistent data.

- k. Please provide copies of the reports entitled "Molokai Intercompany Water Sales", or the predecessors thereof, for the period from December 2005 through September 26, 2008.
- l. Please provide inventories of water stored in the Puunanu Raw (untreated) Water Reservoir, the Maunaloa Finished Water Reservoir and the Puuokoli Finished Water Tank on a monthly basis for the period from January 1, 2006 through October 26, 2009. [Measured tank and reservoir levels (surface heights above base) are satisfactory as long as the dimensions of the tanks/reservoirs are also provided in order to calculate stored water volumes.]

WMA-SIR-106. Re: Response to WMA-IR-211

- a. Please confirm that the Company has not allocated expenses for the test year, as shown on lines 8 through 25 of Exhibit 10, into fixed and variable expense categories.
- b. Please state if the Company intends to provide an allocation of said expenses into fixed and variable expense categories. If so, when will such allocations be furnished? If not, please explain why the Company cannot provide such an allocation. Please provide the bases for the allocator/allocations.

WMA-SIR-107. Re: Response to WMA-IR-212

- a. The "Specifications" for the Puunana Water Treatment Plant's Trimite Filter units, provided in MPU's response to CA-IR-7 (Attachment CA-IR-7b) do not provide any indications of the anticipated water losses and/or plant efficiency (i.e., treated water out/raw water in). Please provide the anticipated water loss at this function.
- b. Losses at the Puunana Water Treatment Plant are stated to be approximately 8% to 10% in MPU's response to WMA-IR-102. However, the calculated losses shown on Workpaper MPU 10.2, page 3 of 5, line 4 represent 16.3% of the water lifted from the Mahana Pump Station ($[31,188/190,992] \times 100\%$). Please explain the apparent inconsistency.
- c. Please provide the calculations and data base used to determine the losses shown on lines 2 and 4.
- d. Please provide the calculations and the data base used to determine the losses shown on line 13.
- e. Please provide an updated version of Workpaper MPU 10.2

incorporating all changes/corrections to date and the most recent diesel fuel costs/invoices.

WMA-SIR-108. Re: Response to WMA-IR-213

- a. MPU's response to CA-IR-2 omits any mention of plant or equipment items served through the Palaau meter. MPU's response to WMA-IR-213 appears overly vague and non responsive. Specifically, please identify each plant or equipment item served through the Palaau meter by name, equipment nameplate rating (hp, kw, etc.) and precise geographic location.
- b. Show equipment/plant locations on a map of the Company's facilities as used in MPU's response to CA-IR-6 (Attachment CA-IR-6a, Part B) or on MPU's service territory map.

WMA-SIR-109. Re: Response to WMA-IR-301

- a. Please confirm for the record that the Company does not have construction/record drawings, specifications and similar documentation for the storage reservoirs, tanks, distribution pipelines and related items that constitute its physical plant/facilities. If any such documents exist, please provide all of them.
- b. MPU's response concerning the age of the plant and facilities is incomplete. What are the ages of the storage reservoirs, tanks, distribution pipelines and other assets that were acquired in 2001 and are now fully depreciated?
- c. Please provide references to all recorded easements granted to MPU and its predecessors for Company assets/facilities located on property owned by MPL and its subsidiaries. Please provide copies of any unrecorded easements.
- d. Please provide references to all recorded easements granted to MPU and its predecessors for pipelines and related equipment within or adjacent to road rights of way. Please provide copies of any unrecorded easements.

WMA-SIR-110. Re: Response to WMA-IR-303

- a. Please provide calculations and supporting data used to determine MPU's share of the cost for "certain maintenance equipment, fencing around certain reservoirs and portions of the water treatment plant and the structures at Well 17".
- b. Please confirm that Well 17 and the Puunana Water Treatment Plant are, in fact, owned by the Company as stated in MPU's response to WMA-IR-301. If not, please identify each and every component,

item, plant, or related facility that is owned by MPL and/or its subsidiaries together with the recorded cost and/or book value thereof.

- c. Please identify each and every MPL asset or cost record by name, initial cost and/or book value for which shared rental costs are claimed.
- d. Does MPL intend to claim these or other rental charges in the test year and beyond?
- e. Does MPU intend to pay such rental charges in the test year and beyond? If so, when/where will said rental payments be shown or included in the test year accounting documents (Exhibit MPU 10)?

WMA-SIR-111. Re: Response to WMA-IR-401

- a. Please list routine operation and maintenance activities performed by Company personnel on a daily basis.
- b. Please list routine operation and maintenance activities performed by Company personnel on an as needed basis.
- c. Does the Puunana Water Treatment Plant operate continuously (24/7) without full time monitoring/intervention?
- d. Describe the procedures, methods and/or criteria used to establish the run times for the Mahana Pump Station and the Puunana Water Treatment Plant. That is, who actually determines the schedule of operations for the Mahana Pump Station and the Puunana Water Treatment Plant, and what criteria, methods or measurements are employed to develop/formulate said schedules?
- e. Are the operating schedules changed/modified frequently (i.e., daily, twice a week, weekly, etc.)?
- f. For example, is the Mahana Pump Station programmed to operate every day, every other day, twice a week, etc.?
- g. How long does it run whenever it operates? How often are these parameters changed?
- h. How is the pump's operation monitored? That is, did it start when it should and run for the complete programmed interval?

WMA-SIR-112. Re: Response to WMA-IR-402

- a. Usage data provided in Attachment WMA-IR-402f shows a remarkably strong upward trend from December 2008 (420,800 gallons) through October 2009 (1,042,400 gallons). However, this increasing trend contradicts the oral testimony of several homeowners within the Moana Makani subdivision, presented at the public hearing held in Kaunakakai on September 3, 2009. The public hearing record will confirm testimony to the effect that the increased price of water had forced several owners to cease irrigation of private orchards and crops. Yet, the metered deliveries through the Moana Makani

Bypass line in October 2009 were more than 250% of the metered usage in December 2008. Please explain these apparent inconsistencies.

- b. In its response to WMA-IR-403e, the Company states that it provides service to 11 customers in the Moana Makani service area. In PUC Docket No. 2002-0371, the Company's response to CA-IR-5 states that all but two of the lots in the Moana Makani subdivision would be served via the Bypass Line and, at that time, five (5) MPU customers at higher elevations within the Papohaku Ranchlands subdivision were also connected to the Moana Makani delivery system. Please determine all of the lots/parcels that would be served from the Moana Makani Bypass Line at ultimate build out, and identify each lot by number on a map of the subdivisions (i.e., 30 of the 32 lots within the Moana Makani subdivision, plus a certain number of lots at higher elevations within the Papohaku Ranchlands subdivision).
- c. Provide the monthly billings for each lot/parcel served from the Moana Makani Bypass Line during the period from January 2006 through November 2009.

WMA-SIR-113. Re: Response to WMA-IR-408

- a. Exhibit MPU 10.13 is missing from the amended application filed on June 29, 2009. However, the section divider indicates that Exhibit MPU 10 consists of twelve (12) pages and, indeed, the amended application does contain 12 pages in this section. Furthermore, the list of exhibits filed and incorporated by reference commencing on page 14 of the amended application does not list Exhibit MPU 10.13. Please confirm that Exhibit MPU 10 consists of the twelve pages actually contained in the amended application. If not, please provide any pages omitted from the amended application and an updated list of the exhibits filed and incorporated by reference.
- b. If Exhibit MPU 10 does, in fact, consist of the twelve pages contained in the amended application, please correct the reference citations in Exhibit MPU 10.4, column (7).

WMA-SIR-114. Re: Response to WMA-IR-501

- a. Exhibits MPU 10 and MPU 11 do not identify any revenue from WOM for the costs associated with the treatment of raw water for WOM's customer base in Maunaloa and subsequent delivery of treated water to WOM's distribution facilities. In its response to WMA-IR-108, MPU asserts that the current rate of \$2.78/TG is believed adequate to recover actual costs of water treatment attributable to WOM's usage of MPU's water treatment

plant and facilities.

In its response to WMA-IR-119, MPU has provided an attachment listing measured water flows into the Puunana Raw Water Reservoir and out of the Maunaloa Reservoir. Average delivery of finished water to WOM for the most recent 22 months is approximately 2,450 TG per month.

Consequently, it would appear that MPU should receive approximately \$81,750 per year from WOM for water treatment costs. If it does, explain where the MPU revenues are recorded? If not, explain why not, and further describe what amounts are recorded and the reasons for the differences.

- b. Again, please identify corresponding water treatment revenue and cost entries on the two rate applications (i.e., revenue to MPU and cost to WOM).
- c. Where are water treatment costs at \$2.78 per TG entered on the WOM rate application exhibits and where are water treatment revenues at the same \$2.78 per TG entered on the MPU rate application exhibits.

WMA-SIR-115. Re: Response to WMA-IR-505

- a. Please provide a detailed accounting of all costs (labor, materials, freight, purchased services, chemicals, etc.) incurred in the operation and maintenance of MPL's three private utilities (i.e., Mountain Water System, Kualapuu Wastewater System and Maunaloa Wastewater System) during the years 2004 through 2008.
- b. Identify each employee of MPL and its subsidiaries that participated in the operation, maintenance and management of the aforesaid private utilities during the years 2004 through 2008 by name, duties and duration of employment.
- c. Identify each and every firm contracted to provide personnel or services for the three private utilities during the years 2004 through 2008, together with copies of applicable contracts, purchase orders, etc.

WMA-SIR-116. Re: Response to WMA-IR-602

- a. Please describe the amount of sedimentation that is "normal" in any water system of the Company's age, size and capacity in both qualitative and quantitative terms.
- b. Provide all studies in the Company's possession regarding sedimentation, infiltration, proposed recommendations, etc.

WMA-SIR-117. Re: Response to WMA-IR-605

- a. Identify/describe the location(s) of the overflow pipe at the Puuokoli storage tank and the associated spillway onto open ground.
- b. How often is the Puuokoli storage tank replenished?
- c. What parameter or event is monitored to ascertain that the tank should be replenished? (e.g., tank level below ____ ft.)
- d. How much water is transferred during a typical replenishment cycle? How long does it take to complete the transfer?
- e. Is the transfer started and stopped automatically? Or is the transfer controlled by an operator manually opening and closing valves?
- f. What parameter event is monitored to ascertain that the storage tank replenishment is complete? (e.g., high level switch/alarm, etc.)
- g. Describe the practices, methods and/or controls, if any, that are employed to prevent excess transfers and overflows.
- h. Identify/describe the location(s) of the overflow pipe at the Maunaloa storage reservoir and the associated spillway onto open ground.
- i. How often is the Maunaloa storage tank replenished?
- j. What parameter or event is monitored to ascertain that the storage tank should be replenished (e.g., tank level below ____ ft.).
- k. How much water is transferred during a typical replenishment cycle? How long does it take to complete the transfer?
- l. Is the transfer started and stopped automatically? (Or, if the transfer is controlled by an operator manually opening and closing valves, explain the governing guidelines.)
- m. What parameter or event is monitored to ascertain that the storage tank replenishment is complete? (e.g., high level switch/alarm, etc.)
- n. Describe the practices, methods and/or controls, if any, that are employed to prevent excess transfers and overflows.

WMA-SIR-118. Re: Response to WMA-IR-606

- a. How often are filter backwash cycles required and/or conducted? Are these determined by operating times (i.e., every ____ days), by the amount of throughput (i.e., after treatment of ____ TG) or by some measured parameter such as pressure, flow rate, etc.?
- b. How long does it take to completely clean the filters and restore the effectiveness of the filter media?
- c. Are the filters in all three modules backwashed and/or serviced as one event, or are the filters in each module backwashed and/or serviced on an individual basis?
- d. What indication(s) or parameters are monitored to ascertain that the backwashing process is actually complete?
- e. Describe the practices, methods and/or controls, if any, that are

employed to prevent excess backwashing flows or durations.

- f. How much water is used during one filter backwash cycle and is subsequently discharged?
- g. Is the discharged water accumulated in a holding tank, reservoir, clarifier or settling pond for subsequent treatment and/or reuse?

WMA-SIR-119. Re: Response to WMA-IR-902

Please provide copies of all billings to the County of Maui for each meter serving beach access points, County parks and other facilities during the period from 2004 through the present.

WMA-SIR-120. Re: Response to WMA-IR-903

- a. Please identify the exact date when operation and maintenance of MPL's Mountain Water System were transferred to WOM. Describe the extent of operation/maintenance activities, if any, reserved to MPL and not transferred, assigned or delegated to WOM. Explain the reason for the changes in day to day management.
- b. Please provide copies of all notifications, correspondence, public announcements and similar written documents pertaining to the changes in WOM's service territory, customer base, rate schedule, etc., resulting from the effective acquisition of MPL's Mountain Water System.
- c. Provide a complete accounting of revenues, deposits and fees collected since the changes were implemented as well as the book value of each and every asset effectively transferred to WOM's physical plant and facilities.
- d. Please identify the exact date when operation and maintenance of the Kualapuu and Maunaloa Wastewater Systems were transferred to MOSCO. Describe the extent of operation/maintenance activities, if any retained by MPL and not transferred, assigned or delegated to MOSCO. Explain the reasons for the changes in day to day management of the two wastewater systems.
- e. Please provide copies of all notifications, correspondence, public announcements and similar written documents pertaining to the changes in MOSCO's service territory, customer base, rate schedule, etc., resulting from the effective acquisition of these two wastewater systems.
- f. Provide a complete accounting of the revenues, deposits, and fees collected since the changes were implemented as well as the book value of every asset effectively transferred to MOSCO's physical plant and facilities.

WMA-SIR-121. Re: Response to WMA-IR-119

Please confirm that the water deliveries to the Manawainui Reservoir, as shown on the reports entitled "Molokai Properties Intercompany Water Sales" is potable water.

Please describe the water sales listed as "Book 9 Industrial Ag" in the reports entitled "Molokai Properties Intercompany Water Sales". Potable or non-potable? What areas served? Please provide a customer list and total number of billings per month.

WMA-SIR-122. Re: Response to WMA-IR-301

Please identify the type of pipe originally installed as water mains throughout the Kaluakoi service area. Ductile iron, asbestos concrete, PVC, or some other materials? Please provide specifications for said water mains including pressure ratings.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing "SUPPLEMENTAL INFORMATION REQUESTS of WEST MOLOKAI ASSOCIATION" was duly served upon the following parties, by personal service, hand delivery, and/or U.S. mail, postage prepaid, and properly addressed pursuant to HAR § 6-61-21 (d).

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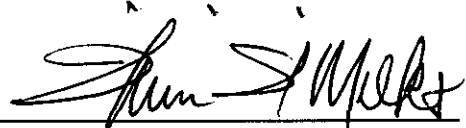
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An electronic version was served on Counsel for Applicant at 4:45PM, Monday,
December 7, 2009.

DATED: Honolulu, Hawaii, December 8, 2009.

A handwritten signature in black ink, appearing to read 'William W. Milks', written over a horizontal line.

WILLIAM W. MILKS, Counsel
for West Molokai Association